

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA**

**Basic Financial Statements  
and Independent Auditors' Reports**

**As of and for the Year Ended June 30, 2007  
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/10/07

**LOUISIANA STATE BOARD OF NURSING**

**5207 Essen Lane, Suite 2680**

**Baton Rouge, LA 70809**

**(225) 763-3570**

**GOVERNING BOARD**

As of June 30, 2007

Nursing Educators

Bonnie B. Johnson, RN, MSN

Gail M. Porrier, RN, DNS

Nora Steel, DNS, RN, C, PNP

Nursing Administrators

Gerald W. Bryant, RN, MSN

Frankie Rosenthal, MSN, RN, CNA, CNS

Other Areas of Nursing

Carlene MacMillan, RN, MN

Deborah Olds, RN

Michelle T. Oswalt, CRNA

Advanced Practice Nursing

James E. Harper, RN, MSN, CFNP

Non-voting Medical Doctors

Alan J. Ostrowe, MD

William St. John LaCorte, MD

Barbara Morvant, Executive Director

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**LEROY J. CHUSTZ**  
**CPA, APAC**

P. O. Box 158  
Denham Springs, LA 70727-0158  
225/6675-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
**CPA**

7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

**GEORGE F. DELAUNE**  
**CPA, APC**

7663 Anchor Drive  
Ventress, LA 70783  
225/937-9735  
Fax: 225/638-3669

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

**Board Members of**  
**Louisiana State Board of Nursing**  
**Department of Health and Hospitals**  
**State of Louisiana**  
**Baton Rouge, Louisiana**

We have audited the accompanying basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, as listed in the Table of Contents. These basic financial statements are the responsibility of **Louisiana State Board of Nursing's** management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **Louisiana State Board of Nursing**, as of June 30, 2007, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis, as listed in the Table of Contents, is required supplementary information and therefore, is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2007, on our consideration of the **Louisiana State Board of Nursing's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Louisiana State Board of Nursing's** basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents is presented for purpose of additional analysis and are not a required part of the basic financial statements of the **Louisiana State Board of Nursing**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Leroy J. Chustz*  
Certified Public Accountant, APAC  
August 15, 2007

*Beverly A. Ryall*  
Certified Public Accountant

*George F. Delaune*  
Certified Public Accountant, APC

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

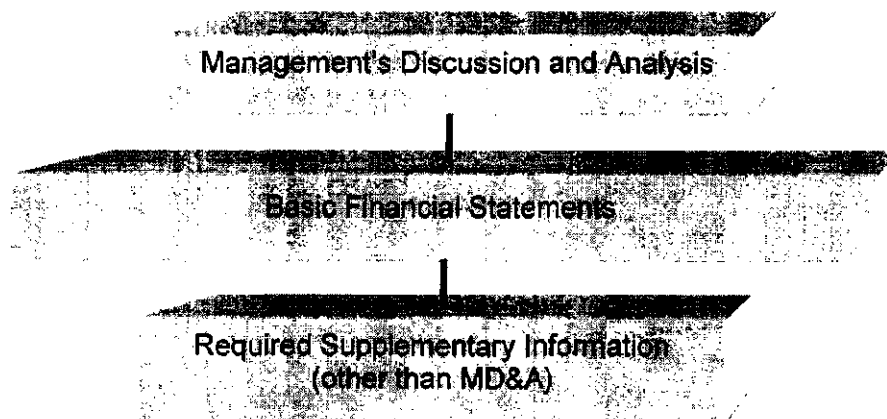
The Management's Discussion and Analysis of the Louisiana State Board of Nursing's financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages \_\_\_\_ - \_\_\_\_ and the \_\_\_\_\_'s (BTA) financial statements, which begin on page \_\_\_\_.

**FINANCIAL HIGHLIGHTS**

- ★ The Louisiana State Board of Nursing's assets exceeded its liabilities at the close of fiscal year 2007 by \$6,503,695 which represents a 11.58% decrease from last fiscal year. The net assets increased by \$1,964,187 (or 43%).
- ★ The Louisiana State Board of Nursing's revenue increased \$581,632 (or 12%) and the net results from activities increased by \$491,518 (or 17%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**Basic Financial Statements**

The basic financial statements present information for the Louisiana State Board of Nursing as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Nursing is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Louisiana State Board of Nursing's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Louisiana State Board of Nursing's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
as of June 30, 2007

	Total	
	2007	2006
Current and other assets	\$ 6,738,883	\$ 4,983,296
Capital assets	2,281,651	26,002
Total assets	9,020,534	5,009,298
Other liabilities	259,772	318,131
Long-term debt outstanding	2,214,931	609
Total liabilities	2,474,703	318,740
Net assets:		
Invested in capital assets, net of debt	25,737	26,002
Restricted	-	-
Unrestricted	6,520,094	4,513,506
Total net assets	\$ 6,545,831	\$ 4,539,508

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Louisiana State Board of Nursing increased by \$2,006,323, or 44%, from June 30, 2006 to June 30, 2007.

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
for the years ended June 30, 2007**

	Total	
	2007	2006
Operating revenues	\$ 4,979,298	\$ 4,566,481
Operating expenses	(3,167,797)	(2,896,475)
Operating income(loss)	1,811,501	1,670,006
Non-operating revenues(expenses)	194,821	136,232
Income(loss) before transfers	2,006,322	1,806,238
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ 2,006,322	\$ 1,806,238

The Louisiana State Board's total revenues increased by \$471,406 or (10.0%). The total cost of all programs and services increased by \$271,322 or 9.37%.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2007, the Louisiana State Board of Nursing had \$2,281,651 invested in a broad range of capital assets, including Land, Building, and various computer equipment. This amount represents a net increase (including additions and deductions) of \$2,255,649, or 8,675%, over last year.

**Capital Assets at Year-end  
(Net of Depreciation, in thousands)**

	2007	2006
Land	\$ 1,150,000	\$ -
Buildings and improvements	1,085,000	-
Equipment	46,651	26,002
Infrastructure		
Totals \$	2,281,651	\$ 26,002

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

This year's major additions included (in thousands):

- Land - \$1,150,000
- Building - \$1,085,000
- 

**Debt**

The State Board of Nursing had \$ 2,170,846 notes outstanding at year-end, compared to \$0 last year.

**Outstanding Debt at Year-end  
(in thousands)**

	<u>2007</u>	<u>2006</u>
General Obligation Bonds	\$	\$
Revenue Bonds and Notes	<u>2,170,846</u>	<u>-</u>
Totals \$	<u><u>2,170,846</u></u>	<u><u>-</u></u>

New debt resulted from the purchase of a new building located in Baton Rouge.

The \_\_\_\_\_ (BTA)'s bond rating continues to carry the \_\_\_\_\_ rating for general obligation bonds, and \_\_\_\_\_ rating for other debt.

The \_\_\_\_\_ (BTA) has claims and judgments of \$ \_\_\_\_\_ outstanding at year-end compared with \$ \_\_\_\_\_ last year. Other obligations include accrued vacation pay and sick leave.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$123,332 over budget and expenditures were less than budget due in part to all employee positions not being filled during the entire year, along with a decrease in rent and office expenditures.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Board expects that next year's expenditures will increase as a result of additional staff and related benefits. Increases are also expected as a result of increased costs associated with the new building.

**CONTACTING THE LOUISIANA STATE BOARD OF NURSING'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Nursing's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board office at (225) 763-3570.



## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
  - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

**ASSETS**

*Current Assets*

Cash and cash equivalents	\$ 5,379,834.88
Investments - Market Value	1,326,294.79
Receivables	570.52
Prepaid postage	32,182.76
<b>Total Current Assets</b>	<u>6,738,882.95</u>

*Noncurrent Assets*

Capital Assets (net)	2,281,651.03
<b>Total noncurrent assets</b>	<u>2,281,651.03</u>

**TOTAL ASSETS**

9,020,533.98

**LIABILITIES**

*Current Liabilities*

Accounts payable	75,486.61
Accrued payroll and deductions	83,208.69
Current portion of long term debt	101,077.21
<b>Total Current Liabilities</b>	<u>259,772.51</u>

*Noncurrent Liabilities*

Compensated absences	145,162.41
Note payable, less current portion	2,069,768.42
<b>Total Noncurrent Liabilities</b>	<u>2,214,930.83</u>

**TOTAL LIABILITIES**

2,474,703.34

**NET ASSETS**

Investment in capital assets	110,805.40
Unrestricted	<u>6,435,025.24</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 6,545,830.64</u></u>

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

**OPERATING REVENUES:**

Licensing, permits, and fees -	
Licenses	\$ 4,278,160.00
Examinations	217,100.00
Enforcement actions	213,062.50
Other operating revenues	<u>270,975.80</u>
Total Operating Revenues	<u>4,979,298.30</u>

**OPERATING EXPENSES:**

**Licensing Program**

Personal services -	
Commissioners per diem	8,250.00
Salaries	1,473,259.73
Employee benefits	453,399.14
Travel	83,302.64
Operating services	599,317.64
Supplies	209,788.75
Professional services	343,077.98
Depreciation expense	<u>17,565.25</u>
Total Operating Expense	<u>3,187,961.13</u>

Operating Income (Loss)	<u>1,791,337.17</u>
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**NON-OPERATING INCOME(EXPENSE)**

Interest earnings	301,091.02
Interest expense	<u>(86,105.71)</u>
Total non-operating income	<u>214,985.31</u>

Increase (decrease) in Net Assets	2,006,322.48
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Net Assets as of June 30, 2006	4,539,558.16
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Adjustment of Prior Year Net Assets	<u>(50.00)</u>
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Net Assets as of June 30, 2007	<u><u>\$ 6,545,830.64</u></u>
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The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007**

**Cash flows from operating activities**

Cash received from customers	\$ 4,979,298.00
Cash payments to suppliers for goods and services	(1,479,664.71)
Cash payments to employees for services	<u>(1,858,460.00)</u>
Net cash provided (used) by operating activities	<u>1,641,173.29</u>

**Cash flows from capital and related financing**

Proceeds from issuance of notes payable	2,235,000.00
Principal paid on notes payable	(64,154.37)
Interest paid on notes payable	(86,105.71)
Acquisition of capital assets	<u>(2,273,214.00)</u>
Net cash provided (used) by financing activities	<u>(188,474.08)</u>

**Cash flows from investing activities**

Purchases of Investments	(2,816,218.00)
Proceeds from sale of securities	3,005,674.41
Interest earned on certificates of deposit and investments	<u>301,091.02</u>
Net cash provided (used) by investing activities	<u>490,547.43</u>

Net increase (decrease) in cash and cash equivalents	1,943,246.64
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Cash and cash equivalents at beginning of year	<u>3,436,588.24</u>
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Cash and cash equivalents at the end of the year	<u><u>\$ 5,379,834.88</u></u>
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**Reconciliation of operating income (loss) to net cash provided (used) by operating**

Operating income (loss)	\$ 1,791,337.17
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	17,565.25
Changes in assets and liabilities:	
(Increase) decrease in receivables	(570.52)
(Increase) decrease in prepaid expenses	(1,276.09)
Increase (decrease) in accounts payable	(144,553.14)
Increase (decrease) in accrued payroll and related benefits	(14,883.05)
Increase (decrease) in compensated absences payable	<u>(6,446.33)</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,641,173.29</u></u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.A. INTRODUCTION**

The Louisiana State Board of Nursing (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:911. The Board is under the control of the Department of Health and Hospitals and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board, which is composed of eleven (11) members appointed by the Governor of Louisiana for a term of four years. The Board consists of nine registered nurses selected from a list submitted by the Louisiana State Nurses Association and two physicians from a list submitted by the Louisiana State Medical Society, who serve as ex officio members of the Board as advisors and have no voting privileges. The nine nurses are composed of the following:

1. Two nursing service administrators
2. Three nursing educators
3. Three engaged in other areas of nurse practice
4. One advanced practice registered nurse

The Board elects from its members a president, vice president, and such other officers as it considers necessary to carry out the duties and functions of the board.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall be receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the board in an official board-approved activity.

The Board is charged with the responsibility of licensing and regulating registered nurses in the State of Louisiana. Act 633 of the 1995 Legislative Session amended the Nurse Practice Act to require licensure of Advanced Practice Registered Nurses (APRNs). At June 30, 2006 approximately 31,980 registered nurses and 2,057 APRNs were licensed.

The Board's office is located in Baton Rouge, Louisiana, and employs 34 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

**1.B. FINANCIAL REPORTING ENTITY**

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Nursing is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Nursing, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007

**1.C. BASIS OF PRESENTATION**

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**1.D. ASSETS, LIABILITIES AND NET ASSETS**

**Cash and Cash Equivalents, Investments**

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Investments are carried at fair value. Fair value is based on quoted market price.

**Receivables**

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses and interest which are accrued when earned.

**Prepays**

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

**Capital Assets and Depreciation**

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$5,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

—	Equipment	5-7 years
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**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007**

**Compensated Absences**

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

**Equity Classifications**

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets, net of related debt— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “investment in capital assets.”

**1.E. REVENUES AND EXPENSES**

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

**2.A. FUND ACCOUNTING REQUIREMENTS**

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required funds.

**2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging

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STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007**

collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 49:327 and the Board's investment policy.

**NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

**3.A. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Nursing may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The deposits at June 30, 2007, consisted of the following:

	Cash	Certificates of Deposit	Total
Deposits in Bank Accounts Per Balance Sheet	\$ 5,379,734.88	-	\$ 5,379,734.88
Bank Balances of Deposits Exposed to Custodial Credit Risk			
a. Uninsured and uncollateralized	-	-	-
b. Uninsured and collateralized with securities held by the pledging institute	-	-	-
c. Uninsured and collateralized with securities held by the pledging institutions's trust department or agent but not in the entity's name	5,329,685.00	-	5,329,685.00
Total Bank Balances - All Deposits	<u>\$ 5,429,685.00</u>	<u>-</u>	<u>\$ 5,429,785.00</u>



**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007**

Reconciliation to Statement of Net Assets:

Petty cash	\$ 100.00
Unrestricted cash	<u>5,379,734.00</u>
Total Cash	<u><u>\$5,379,834.88</u></u>

**3.B. INVESTMENTS**

At year end the Board had the following investments and maturities:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank	<u>\$ 1,326,294.79</u>	Less than one Year

The board limits its interest rate risk by limiting its investing to securities with terms of one year or less. Credit risk is managed by limiting investments to those allowed under State law, which includes instruments issued by State or Federal governments.

**3.C. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2007, was as follows:

	<u>Balance at June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2007</u>
Capital Assets, not being depreciated				
Land	-	\$ 1,150,000.00	-	\$ 1,150,000.00
Building	-	1,085,000.00	-	1,085,000.00
Total Capital Assets, not being depreciated	-	<u>\$ 2,235,000.00</u>	-	<u>\$ 2,235,000.00</u>
Capital Assets, being depreciated				
Equipment	\$ 360,910.53	\$ 38,214.00	-	\$ 399,124.53
Less accumulated depreciation	(334,908.25)	(17,565.97)	-	(352,474.22)
Total Equipment	<u>26,002.28</u>	<u>20,648.03</u>	-	<u>46,650.31</u>
Total Capital Assets, being depreciated	<u>26,002.28</u>	<u>20,648.03</u>	-	<u>46,650.31</u>
Total Capital Assets, net	<u><u>\$ 26,002.28</u></u>	<u><u>\$ 2,255,648.03</u></u>	<u>-</u>	<u><u>\$ 2,281,650.31</u></u>

**3.D. ACCOUNTS PAYABLE**

Payables in the general fund is composed of payables to vendors (47%) and accrued salaries and benefits (53%).

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007

**3.E. LONG-TERM DEBT**

**Governmental Activities**

As of June 30, 2007, the governmental long-term debt of the Board consists of the following:

Accrued Compensated Absences	\$ 145,162.41
Note payable	2,170,845.63
Total Governmental activity debt	<u>\$ 2,316,008.04</u>

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2007:

Type of Debt	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007	Current Portion
Governmental Activities:					
Accrued Compensated Absences	\$ 151,608.74	\$ 34,097.37	\$ 40,543.70	\$ 145,162.41	-
Note Payable	-	2,235,000.00	64,154.37	2,170,845.63	\$ 101,077.21
Total General Long-Term Debt	<u>\$ 151,608.74</u>	<u>\$ 2,269,097.37</u>	<u>\$ 104,698.07</u>	<u>\$ 2,316,008.04</u>	<u>\$ 101,077.21</u>

Future Requirements to Amortize the Note Payable are as follows:

Fiscal Year Ending	Principal	Interest
2008	\$ 101,077.00	\$ 126,511.00
2009	105,253.00	120,137.00
2010	111,669.00	113,721.00
2011	118,475.00	106,915.00
2012	125,423.00	99,967.00
2013-2017	1,608,949.00	337,576.00
2018-2022	-	-
2023-2027	-	-
2028-2032	-	-
Total	<u>\$ 2,170,846.00</u>	<u>\$ 904,827.00</u>

LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007

**3.F. LEASE COMMITMENT**

The Board entered into a lease for office space. The term of the lease is for the period of June 13, 2007 through December 31, 2007. The terms of the lease requires six monthly payments of \$7,937.13, and one final payment of \$4,762.29.

Future minimum lease payments under capital lease are as follows:

Year Ending June 30	
2008	\$ 52,385.07
	<u>\$ 52,385.07</u>

**NOTE 4. - OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

**Pension Plan**

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2007 remained 19.1% of annual covered payroll from the 19.1% and 17.8% required in fiscal years ended June 30, 2006 and 2005 respectively. The board contributions to the System for the year ending June 30, 2007, 2006 and 2005 are \$270,427.93, \$253,485.16, and \$265,880.22 respectively, equal to the required contributions for that year.

**Post Employment Health Care and Life Insurance Benefits**

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2007, the cost of providing those benefits for seven retirees totaled \$30,207.36.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007**

**Deferred Compensation Plan**

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

**4.B. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**4.C. RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**Public Entity Risk Pool**

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

**4.D. COMMITMENTS AND CONTINGENCIES**

**Contingencies**

**Litigation**

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007**

**4.E. COMPENSATION PAID TO BOARD MEMBERS**

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day.

<u>Commissioner</u>	<u>June 30, 2007</u>	
	<u>Meetings</u>	<u>Amount</u>
James Harper	17	\$ 1,275.00
Gerald Bryant	15	1,125.00
Carlene MacMillan	8	600.00
Deborah Olds	15	1,125.00
Frankie Rosenthal	21	1,575.00
William St. John LaCort, MD	1	75.00
Michelle Oswalt	14	1,050.00
*Gail Poirrier	19	1,425.00
Total	<u>110</u>	<u>\$ 8,250.00</u>

\*\$1,200.00 was paid to the University of Louisiana at Lafayette for Gail Poirrier.

OTHER REPORTS REQUIRED BY  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

**LEROY J. CHUSTZ**  
**CPA, APAC**

P. O. Box 158  
Denham Springs, LA 70727-0158  
225/667-2700  
Fax: 225/667-3553

**BEVERLY A. RYALL**  
**CPA**

7426 President Drive  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

**GEORGE F. DELAUNE**  
**CPA, APC**

7663 Anchor Drive  
Ventress, LA 70783  
225/937-9735  
Fax: 225/638-3669

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Board Members of  
Louisiana State Board of Nursing  
Department of Health and Hospitals  
State of Louisiana  
Baton Rouge, Louisiana**

We have audited the basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, and have issued our report thereon dated August 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

**Internal Control Over Financial Reporting**

In planning and performing my audit, we considered the **Louisiana State Board of Nursing's** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Louisiana State Board of Nursing's** internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the **Louisiana State Board of Nursing's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the **Louisiana State Board of Nursing's** basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

This report is intended for the information and use of the **Louisiana State Board of Nursing** and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties. Under provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

*Leroy J. Chutz*

Certified Public Accountant, APAC  
August 15, 2007

*Beverly A. Ryall*

Certified Public Accountant

*George J. Delaune*

Certified Public Accountant, APC



**LOUISIANA STATE BOARD OF NURSING  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Louisiana State Board of Nursing.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance was disclosed during the audit of the basic financial statements.
4. There were no federal awards received by Louisiana State Board of Nursing.

**B. FINDINGS--FINANCIAL STATEMENTS AUDIT**

None

**LOUISIANA STATE BOARD OF NURSING  
RESOLUTION OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2007**

**PRIOR YEAR FINDINGS**

**None**

**SUPPLEMENTAL INFORMATION REQUIRED BY**

**STATE OF LOUISIANA  
DIVISION OF ADMINISTRATION  
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

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(Agency Name)  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 20\_\_\_\_

C O N T E N T S

TRANSMITTAL LETTER  
AFFIDAVIT

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Statements

MD&A

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CC.	Impairment of Capital Assets (Information in Appendix D)
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Schedules

1	Schedule of Per Diem Paid to Board Members
2	Not Applicable
3	Schedules of Long-Term Debt

- 4 Schedules of Long-Term Debt Amortization
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors

Appendix

- A Instructions for the Simplified Statement of Activities
- B Information for Note C – "Deposits with Financial Institutions and Investments"
- C Information for Note BB – "Net Assets Restricted by Enabling Legislation"
- D Information for Note CC – "Impairment of Capital Assets"
- E Instructions for Schedule 16 - Cooperative Endeavors

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
BALANCE SHEET  
AS OF JUNE 30, 2007**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$	<u>5,379,835</u>
Investments		<u>1,326,295</u>
Receivables (net of allowance for doubtful accounts)(Note U)		<u>570</u>
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		<u>32,183</u>
Notes receivable		
Other current assets		
Total current assets		<u>6,738,883</u>

**NONCURRENT ASSETS:**

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		
Land		<u>1,150,000</u>
Buildings and improvements		<u>1,057,875</u>
Machinery and equipment		<u>46,651</u>
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>2,254,526</u>
Total assets	\$	<u>8,993,409</u>

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	<u>90,497</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		<u>83,209</u>
Current portion of long-term liabilities:		
Contracts payable		
Compensated absences payable (Note K)		<u>145,162</u>
Capital lease obligations - (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>318,868</u>

**NON-CURRENT LIABILITIES:**

Contracts payable		
Compensated absences payable (Note K)		
Claims and litigation payable (Note K)		
Notes payable		<u>2,170,846</u>
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		<u>2,170,846</u>
Total liabilities		<u>2,489,714</u>

**NET ASSETS**

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>6,503,695</u>
Total net assets		<u>6,503,695</u>
Total liabilities and net assets	\$	<u>8,993,409</u>

The accompanying notes are an integral part of this financial statement.

## Statement A

**STATE OF LOUISIANA****LOUISIANA STATE BOARD OF NURSING****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007****OPERATING REVENUES**

Licenses, permits, and fees	\$ 4,278,160
Examinations	217,100
Enforcement Actions	213,062
Other	270,976
Total operating revenues	<u>4,979,298</u>

**OPERATING EXPENSES****Personal Services**

Commissioners Per-Diem	8,250
Salaries	1,473,260
Employee benefits	468,409
Travel	83,303
Operating services	742,284
Supplies	46,658
Professional services	343,078
Amortization	44,690
Total operating expenses	<u>3,209,932</u>

Operating income(loss)	<u>1,769,366</u>
------------------------	------------------

**NON-OPERATING REVENUES(EXPENSES)**

Taxes	(20,164)
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Interest expense	(86,106)
Interest income	301,091
Other expense	
Total non-operating revenues(expenses)	<u>194,821</u>

Income(loss) before contributions and transfers	<u>1,964,187</u>
---	------------------

Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	

Change in net assets	<u>1,964,187</u>
----------------------	------------------

Total net assets - beginning	<u>4,539,508</u>
------------------------------	------------------

Total net assets - ending	<u>\$ 6,503,695</u>
---------------------------	---------------------

The accompanying notes are an integral part of this financial statement.

## Statement B

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

**See Appendix A for instructions**

	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Operating</u>	<u>Capital</u>	
	<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
		<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
Entity	\$ <u>3,316,202</u>	\$ <u>4,979,298</u>	\$ _____	\$ <u>1,663,096</u>
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				<u>301,091</u>
Miscellaneous				_____
Special items				_____
Extraordinary item - Loss on impairment of capital assets				_____
Transfers				_____
Total general revenues, special items, and transfers				<u>301,091</u>
Change in net assets				<u>1,964,187</u>
Net assets - beginning as restated				<u>4,539,508</u>
Net assets - ending				\$ <u><u>6,503,695</u></u>

The accompanying notes are an integral part of this statement.



**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 4,979,298	
Cash payments to suppliers for goods and services	(1,254,725)	
Cash payments to employees for services	(1,858,460)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>1,866,113</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable	2,235,000	
Principal paid on notes payable	(64,154)	
Interest paid on notes payable	(86,106)	
Acquisition/construction of capital assets	(2,273,214)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(188,474)</u>
<b>Cash flows from Investing activities</b>		
Purchases of investment securities	(2,816,218)	
Proceeds from sale of investment securities	3,266,590	
Interest and dividends earned on investment securities	277,703	
Net cash provided(used) by investing activities		<u>728,075</u>
Net increase(decrease) in cash and cash equivalents		<u>2,405,714</u>
Cash and cash equivalents at beginning of year		<u>2,974,121</u>
Cash and cash equivalents at end of year	\$	<u><u>5,379,835</u></u>

STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ <u>1,964,187</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>44,690</u>	
Provision for uncollectible accounts	<u></u>	
Other	<u></u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>5,454</u>	
(Increase)decrease in due from other funds	<u></u>	
(Increase)decrease in prepayments	<u>(1,267)</u>	
(Increase)decrease in inventories	<u></u>	
(Increase)decrease in other assets	<u></u>	
Increase(decrease) in accounts payable and accruals	<u>(140,505)</u>	
Increase(decrease) in compensated absences payable	<u>(6,446)</u>	
Increase(decrease) in due to other funds	<u></u>	
Increase(decrease) in deferred revenues	<u></u>	
Increase(decrease) in other liabilities	<u></u>	
Net cash provided(used) by operating activities		\$ <u><u>1,866,113</u></u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease	\$ <u></u>
Contributions of fixed assets	<u></u>
Purchases of equipment on account	<u></u>
Asset trade-ins	<u></u>
Other (specify)	<u></u>
	<u></u>
	<u></u>
<b>Total noncash investing, capital, and financing activities:</b>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

Statement D (concluded)

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
Notes to the Financial Statement  
As of and for the year ended June 30, 2007**

**INTRODUCTION**

The Louisiana State Board of Nursing was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 39.911.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana State Board of Nursing present information only as to the transactions of the programs of the Board of Nursing as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Board of Nursing are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Louisiana State Board of Nursing are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

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	<u>APPROPRIATIONS</u>
Original approved budget	\$ 4,378,821
Amendments:	(1,019,459)
	<u>236,824</u>
Final approved budget	\$ <u>3,596,186</u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3, eliminated** the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either: 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2007, consisted of the following:

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	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Money Market)</u>	<u>Total</u>
Balance per agency books	\$ 5,118,870	\$ _____	\$ 260,865	\$ 5,379,735.00
Deposits in bank accounts per bank	\$ 5,168,920	\$ _____	\$ 260,865	\$ 5,429,785.00
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ _____	\$ _____	\$ _____	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency <u>but not in the entity's name.</u>	\$ 5,068,920	\$ _____	\$ 260,865	\$ 5,329,785.00
Total Bank Balances - All Deposits	\$ 5,168,920	\$ 0	\$ 260,865	\$ 5,429,785.00

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One	General Fund	\$ 5,168,920
2. Capital One Investments, LLC	Money Market	260,865
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 5,429,785

in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ 100

## 2. INVESTMENTS

The Louisiana State Board of Nursing does not maintain investment accounts as authorized by the State of Louisiana.

### Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the table on the next page, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

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GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

	<b>Investments Exposed to Custodial Credit Risk</b>		<b>All Investments Regardless of Custodial Credit Risk Exposure</b>	
<b>Type of Investment</b>	<b>Uninsured, *Unregistered, and Held by Counterparty</b>	<b>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</b>	<b>Reported Amount Per Balance Sheet</b>	<b>Fair Value</b>
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U. S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ - \$	- \$	\$ - \$	\$ -

\* unregistered - not registered in the name of the government or entity

### 3. DERIVATIVES

The institution **does not** invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk \_\_\_\_\_

market risk \_\_\_\_\_

legal risk \_\_\_\_\_

**Technical Bulletin 2003-1 requires certain note disclosures for derivatives that are not reported at fair value on the Statement of Net Assets. See Appendix B for more details and disclose any of these required note disclosures below, if applicable.**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### 4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

#### A. Credit Risk of Debt Investments

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Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
		\$
	Total	\$ -

**B. Interest Rate Risk of Debt Investments**

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities	1,326,295	1,326,295			
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual bond funds					
Other					
Total debt investments	\$ 1,326,295	\$ 1,326,295	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix B for examples of debt investments that are highly sensitive to changes in interest rates.

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

**C. Concentration of Credit Risk**

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment

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pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>-</b>

**D. Foreign Currency Risk**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>

**5. POLICIES**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS**

- a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_
- b. Securities underlying reverse repurchase agreements \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
  1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  2. Description of the terms of the agreement \_\_\_\_\_



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- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_
- j. Commitments on \_\_\_\_\_ (fiscal close) to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close) of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_

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- s. Any involuntary participation in an external investment pool \_\_\_\_\_  
\_\_\_\_\_
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2007					
	Balance 6/30/2006	Prior Period Adjustment	Adjusted Balance 7/1/2006	Additions	Transfers*	Retirements
<b>Capital assets not being depreciated</b>						
Land	\$	\$	\$	\$ 1,150,000	\$	\$ 1,150,000
Non-depreciable land improvements						
Capitalized collections						
Construction in progress						
<b>Total capital assets not being depreciated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,150,000</b>	<b>\$</b>	<b>\$ 1,150,000</b>
<b>Other capital assets</b>						
Furniture, fixtures, and equipment	\$ 360,910	\$ 194,347	\$ 555,257	\$ 38,215	\$	\$ 593,472
Less accumulated depreciation	(334,908)	(194,347)	(529,255)	(17,566)		(546,821)
Total furniture, fixtures, and equipment	26,002		26,002	20,649		46,651
Buildings and improvements				1,085,000		1,085,000
Less accumulated depreciation				(27,125)		(27,125)
Total buildings and improvements				1,057,875		1,057,875
Depreciable land improvements						
Less accumulated depreciation						
Total depreciable land improvements						
Infrastructure						
Less accumulated depreciation						
Total infrastructure						
<b>Total other capital assets</b>	<b>\$ 26,002</b>	<b>\$</b>	<b>\$ 26,002</b>	<b>\$ 1,078,524</b>	<b>\$</b>	<b>\$ 1,104,526</b>
<b>Capital Asset Summary:</b>						
Capital assets not being depreciated	\$	\$	\$	\$ 1,150,000	\$	\$ 1,150,000
Other capital assets, at cost	360,910	194,347	555,257	1,123,215		1,678,472
Total cost of capital assets	360,910	194,347	555,257	2,273,215		2,828,472
Less accumulated depreciation	(334,908)	(194,347)	(529,255)	(44,891)		(573,946)
<b>Capital assets, net</b>	<b>\$ 26,002</b>	<b>\$</b>	<b>\$ 26,002</b>	<b>\$ 2,228,524</b>	<b>\$</b>	<b>\$ 2,254,526</b>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**E. INVENTORIES N/A**

The BTA's inventories are valued at \_\_\_\_\_ (method of valuation). These are perpetual inventories and are expensed when used.

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**F. RESTRICTED ASSETS      N/A**

Restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current assets section on Statement A, consisting of \$ \_\_\_\_\_ in cash with fiscal agent, \$ \_\_\_\_\_ in receivables, and \$ \_\_\_\_\_ investment in \_\_\_\_\_ (identify the type of investments held.) State the purpose of the restrictions:  
\_\_\_\_\_

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Louisiana State Board of Nursing has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2007 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable (is) (is not) recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the Louisiana State Board of Nursing are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time Board employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2007. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement

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benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2006 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and is also available on-line at:

[http://www.lasers.state.la.us/PDFs/Publications and Reports/Fiscal Documents/Comprehensive Financial Reports/Comprehensive%20Financial%20Reports 06.pdf](http://www.lasers.state.la.us/PDFs/Publications%20and%20Reports/Fiscal%20Documents/Comprehensive%20Financial%20Reports%2006.pdf)

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2007, remained at 19.1% of annual covered payroll from the 19.1% and 17.8% required in fiscal years ended June 30, 2006 and 2005 respectively. The Board's contributions to the System for the years ending June 30, 2007, 2006, and 2005, were \$270,428, \$253,485, and \$265,880, respectively, equal to the required contributions for each year.

**I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits: **(NOTE: Ensure that the number of retirees is disclosed below)**

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.\*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

\*If the cost of any post retirement health care or life insurance benefits for retirees cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed (part (b) below).

The Louisiana State Board of Nursing provides certain continuing health care and life insurance benefits for its retired employees. Substantially all Board employees become eligible for post employment health care and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Board. Complete (a) below if the cost of retiree post-employment health care benefits can be separated from active employees, otherwise complete part (b).

For 2007, the cost of providing those benefits for the 6 retirees totaled \$32,879.

**J. LEASES**

**NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year 2007 amounted to \$162,280. (Note: If lease payments extend past FY 2022, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

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Nature of lease	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013-2017	FY 2018-2022
Office Space	\$ 52,385	\$	\$	\$	\$	\$	\$
Equipment							
Land							
Other							
Total	\$ 52,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**2. CAPITAL LEASES N/A**

Capital leases are / are not recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/07. In Schedule B, report only those new leases entered into during fiscal year 2006-2007.

**SCHEDULE A - TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

Nature of lease	Gross Amount of Leased Asset (Historical Costs)	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	\$	\$	\$
b. Equipment			
c. Land			
Total	\$ -	\$ -	\$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2027, create additional rows and report these future minimum lease payments in five year increments.)

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Year ending June 30 :	<u>Total</u>
2008	\$ _____
2009	_____
2010	_____
2011	_____
2012	_____
2013-2017	_____
2018-2022	_____
2023-2027	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2027, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	<u>Total</u>
2008	\$ _____
2009	_____
2010	_____
2011	_____
2012	_____
2013-2017	_____
2018-2022	_____
2023-2027	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

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**SCHEDULE C – LEAF CAPITAL LEASES**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2027, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2008	\$ _____
2009	_____
2010	_____
2011	_____
2012	_____
2013-2017	_____
2018-2022	_____
2023-2027	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**3. LESSOR DIRECT FINANCING LEASES      N/A**

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.



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Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		-		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		-		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2007 were \$\_\_\_\_\_ for office space, \$\_\_\_\_\_ for equipment, and \$\_\_\_\_\_ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2027, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year ending _____:	
2008	\$ _____
2009	_____
2010	_____
2011	_____
2012	_____
2013-2017	_____
2018-2022	_____
2023-2027	_____
Total	\$ _____

**4. LESSOR – OPERATING LEASE      N/A**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_\_\_:

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	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2027, please create additional columns and report these future minimum lease payment receivables in five year increments.)

<u>Year Ended</u> <u>June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2008	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2009					-
2010					-
2011					-
2012					-
2013-2017					-
2018-2022					-
2023-2027					-
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$ \_\_\_\_\_.

Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2007: (Balances at June 30<sup>th</sup> should include current and non-current portion of long-term liabilities.)

	<u>Balance</u> <u>June 30,</u> <u>2006</u>	<u>Year ended June 30, 2007</u>		<u>Balance</u> <u>June 30,</u> <u>2007</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
		<u>Additions</u>	<u>Reductions</u>		
<b>Notes and bonds payable:</b>					
Notes payable	\$ --	\$ 2,235,000	\$ 64,154	\$ 2,170,846	\$ 97,808
Bonds payable				--	
Total notes and bonds	--	2,235,000	64,154	2,170,846	97,808
<b>Other liabilities:</b>					
Contracts payable				--	
Compensated absences payable	151,609	34,097	40,544	145,162	--
Capital lease obligations				--	
Claims and litigation				--	
Liabilities payable from restricted assets				--	
Other long-term liabilities				--	
Total other liabilities	151,609	34,097	40,544	145,162	--
Total long-term liabilities	\$ 151,609	\$ 2,269,097	\$ 104,698	\$ 2,316,008	\$ 97,808

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(Send OSRAP a copy of the amortization schedule for any new debt issued.)

**L. CONTINGENT LIABILITIES**      **N/A**

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC.** Losses or ending litigation that is probable should be reflected on the balance sheet.

The \_\_\_\_\_ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)</u>	<u>Estimated Settlement Amt for Claims &amp; Litigation (Opinion of legal counsel)</u>	<u>Insurance Coverage</u>
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
<b>Totals</b>		\$ _____ -	\$ _____ -

\*Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

purchase of commercial insurance,

participation in a public entity risk pool (e.g., Office of Risk Management claims)

risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)

Other (explain) \_\_\_\_\_

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. \_\_\_\_\_

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. \_\_\_\_\_

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated. \_\_\_\_\_

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Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. \_\_\_\_\_

**M. RELATED PARTY TRANSACTIONS      N/A**

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions. \_\_\_\_\_

**N. ACCOUNTING CHANGES      N/A**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate or entity). The effect of the change is being shown in \_\_\_\_\_.

**O. IN-KIND CONTRIBUTIONS      N/A**

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____ -

**P. DEFEASED ISSUES      N/A**

In \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_ (BTA), issued \$\_\_\_\_\_ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of \_\_\_\_\_ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$\_\_\_\_\_, plus an additional \$\_\_\_\_\_ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated \_\_\_\_\_, between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$\_\_\_\_\_ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$\_\_\_\_\_.

**Q. COOPERATIVE ENDEAVORS – SEE SCHEDULE 16 AND APPENDIX E FOR INSTRUCTIONS AND REPORTING REQUIREMENTS      N/A**

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**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A**

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2006-2007:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			\$ -

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A**

At June 30, 20\_\_, the \_\_\_\_\_ (BTA) was not in compliance with the provisions of \_\_\_\_\_ Bond Reserve Covenant that requires \_\_\_\_\_. The \_\_\_\_\_ (BTA) did \_\_\_\_\_ to correct this deficiency.

**T. SHORT-TERM DEBT N/A**

The \_\_\_\_\_ (BTA) issues short-term notes for the following purpose(s) \_\_\_\_\_.

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

<u>List the type of Short-term debt (e.g., tax anticipation notes)</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
	\$	\$	\$	\$ -

The \_\_\_\_\_ (BTA) uses a revolving line of credit for the following to finance \_\_\_\_\_ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

	<u>Beginning Balance</u>	<u>Draws</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Line of credit	\$	\$	\$	\$ -

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2007, were as follows:

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Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$ 570	\$	\$	\$	\$ 570
					-
Gross receivables	\$ 570	\$ -	\$ -	\$ -	\$ 570
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ 570	\$ -	\$ -	\$ -	\$ 570
Amounts not scheduled for collection during the subsequent year	\$ 570	\$	\$	\$	\$ 570

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2007, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 90,497	\$ 83,209	\$	\$	\$ 173,706
					-
Total payables	\$ 90,497	\$ 83,209	\$ -	\$ -	\$ 173,706

**W. SUBSEQUENT EVENTS N/A**

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement. \_\_\_\_\_

**X. SEGMENT INFORMATION N/A**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment \_\_\_\_\_.

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A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.

Fund	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____
Gross receivables	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Less allowance for uncollectible accounts	_____	_____	_____	_____	_____
Receivables, net	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.

- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	Segment #1	Segment #2
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

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Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

**Y. DUE TO/DUE FROM AND TRANSFERS**      **N/A**

1. List by fund type the amounts due from other funds detailed by individual fund at fiscal year end:  
 (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
---------------------	---------------------	---------------



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_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total due to other funds</b>		<b>\$ _____</b>

**3. List by fund type all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total transfers from other funds</b>		<b>\$ _____</b>

**4. List by fund type all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total transfers to other funds</b>		<b>\$ _____</b>

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS      N/A**

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS      N/A**

The following adjustments were made to restate beginning net assets for June 30, 20\_\_.

Ending net assets 6/30/06 as reported to OSRAP on PY AFR	Adjustments to end net assets 6/30/06 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/06) + or (-)	Beg net assets @ 7/1/06 as restated
\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Each adjustment must be explained in detail on a separate sheet

Include all audit adjustments accepted by the agency or entity.

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)      N/A**

Of the total net assets reported on Statement A at June 30, 20\_\_, \$ \_\_\_\_\_ are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation). Refer to Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46. List below the net assets restricted by enabling legislation and the purpose of the restriction:

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<u>Purpose of Restriction</u>	<u>Amount</u>
	\$ _____
	_____
	_____
Total	\$ _____

**CC. IMPAIRMENT OF CAPITAL ASSETS      N/A**

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. **See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.**

The following capital assets became impaired in FY 06-07: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Indication of Impairment</u>	<u>Insurance Recovery in the same FY</u>	<u>Reason for Impairment (e.g. hurricane)</u>
Buildings	_____	_____	_____	_____
Movable Property	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year: (Include the capital assets listed above that are still idle at the end of the fiscal year, and any prior year impaired assets that are still idle at the end of the fiscal year.)

<u>Type of asset</u>	<u>Carrying Value</u>
Buildings	\$ _____
Movable Property	\$ _____
Infrastructure	\$ _____

**DD. EMPLOYEE TERMINATION BENEFITS**

Termination benefits are benefits, other than salaries and wages, that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave

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balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances.

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

**The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.**

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2007, the cost of providing those benefits for 8 voluntary terminations totaled \$38,707. For 2007, the cost of providing those benefits for 0 involuntary terminations totaled \$0.

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SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
For the Year Ended June 30, 2007  
(Fiscal Close)**

[illegible]

**Note:** The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

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SCHEDULE OF NOTES PAYABLE  
JUNE 30, 2007  
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/06	Redeemed (Issued)	Principal Outstanding 6/30/07	Interest Rates	Interest Outstanding 6/30/07
	10/18/2006	\$2,235,000	\$0	\$	\$2,170,846	5.85%	\$
Total		\$ 2,235,000	\$ 0	\$	\$ 2,170,846		\$

\*Send copies of new amortization schedules

STATE OF LOUISIANA  
 \_\_\_\_\_ (BTA)  
**SCHEDULE OF BONDS PAYABLE**  
 \_\_\_\_\_, 20\_\_\_\_  
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

\*Send copies of new amortization schedules

SCHEDULE 3-B

**STATE OF LOUISIANA**  
**(BTA)**  
**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended June 30, 20\_\_**

<b>Fiscal Year Ending:</b>	<b><u>Payment</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Balance</u></b>
2008	\$ _____	\$ _____	\$ _____	\$ ____--
2009	_____	_____	_____	____--
2010	_____	_____	_____	____--
2011	_____	_____	_____	____--
2012	_____	_____	_____	____--
2013-2017	_____	_____	_____	____--
2018-2022	_____	_____	_____	____--
2023-2027	_____	_____	_____	____--
2028-2032	_____	_____	_____	____--
 Total	 \$ ____--	 \$ ____--	 \$ ____--	 \$ ____--

# SCHEDULE 4-A

## STATE OF LOUISIANA Louisiana State Board of Nursing SCHEDULE OF NOTES PAYABLE AMORTIZATION For the Year Ended June 30, 2007

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ <u>97,808</u>	\$ <u>126,511</u>
2009	<u>105,253</u>	<u>120,137</u>
2010	<u>111,669</u>	<u>113,721</u>
2011	<u>118,475</u>	<u>106,915</u>
2012	<u>125,423</u>	<u>99,967</u>
2013-2017	<u>1,612,218</u>	<u>337,576</u>
2018-2022	<u>                    </u>	<u>                    </u>
2023-2027	<u>                    </u>	<u>                    </u>
2028-2032	<u>                    </u>	<u>                    </u>
Total	\$ <u><u>2,170,846</u></u>	\$ <u><u>904,827</u></u>



SCHEDULE 4-B

**STATE OF LOUISIANA**  
**(BTA)**  
**SCHEDULE OF BONDS PAYABLE AMORTIZATION**  
**For The Year Ended June 30, 20\_\_**

<b>Fiscal Year Ending:</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2008	\$ _____	\$ _____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>

# SCHEDULE 4-C

## STATE OF LOUISIANA

### LOUISIANA STATE BOARD OF NURSING

#### COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2007</u>	<u>2006</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 4,698,757	\$ 4,698,757	\$ 581,632	12%
Expenses	3,316,202	2,824,684	491,518	17%
2) Capital assets	2,254,526	26,002	2,228,524	8,571%
Long-term debt	2,316,008	151,609	2,164,399	1,428%
Net Assets	6,503,695	4,539,508	1,964,187	43%

Explanation for change:

Capital Assets increased due to the purchase of a building for the Boards relocation after hurricane Katrina. The purchase price was \$2,235,000 and was financed by long-term debt.

Net Assets increased \$1,964,187 due to an increase in net income for the fiscal year ending June 30, 2007.